

**F-15 System Program Office  
Alternative Dispute Resolution  
Memorandum of Agreement  
Between  
The Department of the Air Force and  
Northrop Grumman Corporation**

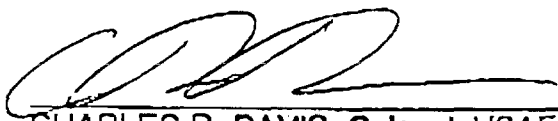
1. The Department of the Air Force and Northrop Grumman Corporation (collectively, the Parties) have entered into contracts in support of the development, production, and sustainment of the F-15. The Parties share the objective of supplying America's warfighters with technologically advanced and reliable equipment in a timely manner and at a reasonable price to promote swift, safe, and successful accomplishment of the national defense mission. These contracts contain the "Disputes" clause (FAR 52.233-1) to implement the Contract Disputes Act of 1978. However, as contemplated by FAR 33.214, the Parties also recognize that Alternative Dispute Resolution (ADR) procedures involving collaborative techniques can be used as an alternative to Disputes Clause procedures in order to avoid the disruption and high cost of litigation which detracts from mission accomplishment.
2. The Parties agree that they will try to resolve all issues in controversy arising under or related to the contract by negotiation and mutual agreement at the contracting officer's level. If negotiations reach an impasse, the Parties agree to use, to the maximum extent feasible, one or more of the ADR processes contemplated by FAR 33.2 to reduce or eliminate the need for litigation. The Parties further agree that any ADR process must be structured to allow sufficient time to exchange and analyze any information necessary to obtain and justify a settlement.
3. Consistent with FAR 33.214, in cases where the Parties decide to use ADR, the Parties will prepare and agree to a specific, written ADR agreement appropriate to the controversy, before the ADR process begins. The agreement should normally address the following (as appropriate): authorized representatives for each Party; ADR techniques and processes to be utilized and procedures to be followed; methods for the exchange of information; a schedule and procedures for any discovery proceedings, including how to limit discovery/factual exchange; use of appointment and payment of neutrals; whether and to what extent to stay or suspend any pending litigation; possible audit requirements; confidentiality; at what point the Parties will begin negotiations; and a provision for termination of the agreement.
4. If the contracting officer rejects a contractor's request to use ADR proceedings, the contracting officer shall provide the contractor a written explanation citing one or more of the conditions in 5 U.S.C. 572(b) or such other specific reasons that ADR procedures are inappropriate for the resolution of the dispute. See 41 U.S.C. 605(e) and FAR 33.214(b). In any case where a contractor rejects the government's request to use ADR proceedings, the contractor shall inform the agency in writing of the contractor's specific reasons for rejecting the request.

5. It is not the intent of the Parties that this agreement alter, supplement, or deviate from the terms and conditions of any contracts between the Parties or legal rights and obligations of the Parties set forth therein. Any changes to those contracts must be executed in writing by authorized contracting officials.

6. In the event either Party believes a particular issue is not well suited to ADR, or is dissatisfied with progress being made in a particular ADR proceeding, that Party may, after good faith efforts to resolve the issue, elect to abandon the ADR process and proceed as otherwise provided under contract, regulation, or statute. Nothing in this Agreement shall be deemed to prevent either Party from preserving and exercising its legal rights and remedies during the ADR process.

  
DOMINIQUE B. MYERS  
Chief, F-15 Contracts

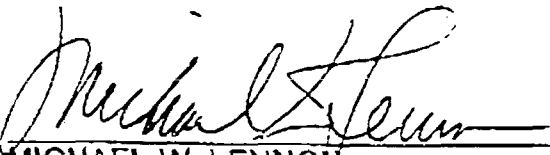
30 Jun 99  
Date

  
CHARLES R. DAVIS, Colonel, USAF  
Director, Development and Acquisition  
F-15 System Program Office

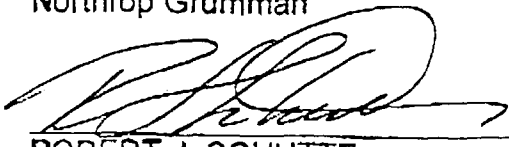
8 Jul 99  
Date

  
SCOTT M. BRITTEN  
Colonel, USAF  
F-15 System Program Director

22 Jul 99  
Date

  
MICHAEL W. LENNON  
Director  
RFEW Programs  
Northrop Grumman

10 Aug 99  
Date

  
ROBERT J. SCHUTTE  
Director of Contracts  
Northrop Grumman

10 August 99  
Date